

INITIATIVE 214

I, Ralph Munro, Secretary of State of the State of Washington and custodian of its seal, hereby certify that, according to the records on file in my office, the attached copy of Initiative Measure No. 214 to the Legislature is a true and correct copy as it was received by this office.

1 AN ACT Relating to property; amending RCW 84.52.065, 84.48.080, and
2 84.52.010; adding a new section to chapter 43.88 RCW; adding a new
3 chapter to Title 8 RCW; creating a new section; and declaring an
4 emergency.

5 BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** The people find that property taxes have
7 become increasingly burdensome and that a reduction in the state
8 property tax will relieve the burden on the taxpayers. The people also
9 find that there should be fairness in property regulations, and that
10 the burden of providing for open space and wildlife habitat should be
11 shared equally, in the same manner that the burden is shared by the
12 public to provide for highways, schools, and other public facilities.
13 The people intend this measure to provide that fairness in
14 providing public benefits. In addition, it is the intent of the people
15 to provide for property tax relief from the state, without allowing
16 other governments to replace the state property tax with additional
17 local property taxes that are not approved by local voters.

1 Finally, the people intend to protect education funding from any
2 reductions or threats of reduction that may be proposed or suggested in
3 response to this measure.

4 **Sec. 2.** RCW 84.52.065 and 1991 sp.s. c 31 s 16 are each amended to
5 read as follows:

6 Subject to the limitations in RCW 84.55.010, in each year the state
7 shall levy for collection in the following year for the support of
8 common schools of the state (~~(a tax of three dollars and sixty cents)~~),
9 for taxes levied for collection in 2000 and 2001, a tax of one dollar
10 and eighty cents per thousand dollars of assessed value and, for taxes
11 levied for collection in 2002 and thereafter, zero dollars per thousand
12 dollars of assessed value upon the assessed valuation of all taxable
13 property within the state adjusted to the state equalized value in
14 accordance with the indicated ratio fixed by the state department of
15 revenue.

16 As used in this section, "the support of common schools" includes
17 the payment of the principal and interest on bonds issued for capital
18 construction projects for the common schools.

19 NEW SECTION. **Sec. 3.** (1) The definitions in this subsection apply
20 throughout this chapter unless the context clearly requires otherwise.

21 (a) "Open space" means open space land as defined in RCW 84.34.020.

22 (b) "Real property" means real property as defined in RCW
23 84.04.090.

24 (c) "Reservation of property" means to require a property owner to:

25 (i) Leave property in a natural state;

26 (ii) Remove property from use that was allowable prior to the
27 reservation of property; or

28 (iii) Limit the use of property so as to provide open space or
29 wildlife habitat.

30 (2) The definitions in RCW 8.26.020 apply to this chapter.

31 NEW SECTION. **Sec. 4.** The people find that reservation of property
32 for plant or wildlife habitat and open space is for the benefit of the
33 public. Therefore, the public should bear the primary burden of
34 providing such property reservations.

1 The state or a local public agency may require the reservation of
2 any part of a person's real property only through exercising its power
3 of eminent domain as authorized and prescribed in this title.

4 Every reasonable effort must be made to acquire expeditiously real
5 property by negotiation in a manner that is most cost-effective to the
6 acquiring agency. The negotiation may include an offer of one or more
7 of the following elements: Trading surplus property owned by the local
8 government; modifying the density or intensity of use of other property
9 owned by the property owner; adjusting land development or permit
10 standards, such as clustering or variance; purchase of development
11 rights; purchase of conservation easements; and other compensation
12 measures not otherwise restricted by law.

13 NEW SECTION. **Sec. 5.** If the state or a local public agency
14 requires a person to leave any part of real property in its natural
15 state or to enhance the person's property to provide open space or
16 habitat for plant, fish, or animal wildlife, the property value for
17 property tax purposes for the property shall be based on a current use
18 assessment of the property as provided in chapter 84.34 RCW, if so
19 requested by the property owner.

20 NEW SECTION. **Sec. 6.** Donation of property is not prohibited under
21 this chapter. A person whose real property is being acquired in
22 accordance with this chapter may, after the person has been fully
23 informed of his or her right to receive just compensation for the
24 property, donate the property, any part of or interest in the property,
25 or any compensation paid for the property to any agency as the person
26 determines.

27 NEW SECTION. **Sec. 7.** A new section is added to chapter 43.88 RCW
28 to read as follows:

29 The legislature shall not reduce per-pupil funding or programmatic
30 funding for public education, consistent with Article IX, sections 1
31 and 2 of the state Constitution, until such time as the legislature has
32 fully funded or repealed mandates to local school districts, and not
33 prior to the 2001 legislative session.

34 **Sec. 8.** RCW 84.48.080 and 1997 c 3 s 112 (Referendum Bill No. 47)
35 are each amended to read as follows:

1 (1) Annually during the months of September and October, the
2 department of revenue shall examine and compare the returns of the
3 assessment of the property in the several counties of the state, and
4 the assessment of the property of railroad and other companies assessed
5 by the department, and proceed to equalize the same, so that each
6 county in the state shall pay its due and just proportion of the taxes
7 for state purposes for such assessment year, according to the ratio the
8 assessed valuation of the property in each county bears to the correct
9 total assessed valuation of all property in the state.

10 First. The department shall classify all property, real and
11 personal, and shall raise and lower the assessed valuation of any class
12 of property in any county to a value that shall be equal, so far as
13 possible, to the correct assessed value of such class as of January 1st
14 of the current year, after determining the correct appraised value, and
15 any adjustment applicable under RCW 84.40.0305 for the property, for
16 the purpose of ascertaining the just amount of tax due from each county
17 for state purposes. In equalizing personal property as of January 1st
18 of the current year, the department shall use the assessment level of
19 the preceding year. Such classification may be on the basis of types
20 of property, geographical areas, or both. For purposes of this
21 section, for each county that has not provided the department with an
22 assessment return by December 1st, the department shall proceed, using
23 facts and information and in a manner it deems appropriate, to estimate
24 the value of each class of property in the county.

25 Second. The department shall keep a full record of its proceedings
26 and the same shall be published annually by the department.

27 (2) The department shall levy the state taxes authorized by law.
28 The amount levied in any one year for general state purposes shall not
29 exceed the lawful dollar rate on the dollar of the assessed value of
30 the property of the entire state as equalized under this section. The
31 department shall apportion the amount of tax for state purposes levied
32 by the department, among the several counties, in proportion to the
33 assessed valuation of the taxable property of the county for the year
34 as equalized by the department: PROVIDED, That for purposes of this
35 apportionment, the department shall recompute the previous year's levy
36 and the apportionment thereof to correct for changes and errors in
37 taxable values reported to the department after October 1 of the
38 preceding year and shall adjust the apportioned amount of the current
39 year's state levy for each county by the difference between the

1 apportioned amounts established by the original and revised levy
2 computations for the previous year. For purposes of this section,
3 changes in taxable values mean a final adjustment made by a county
4 board of equalization, the state board of tax appeals, or a court of
5 competent jurisdiction and shall include additions of omitted property,
6 other additions or deletions from the assessment or tax rolls, any
7 assessment return provided by a county to the department subsequent to
8 December 1st, or a change in the indicated ratio of a county. Errors
9 in taxable values mean errors corrected by a final reviewing body.

10 In addition to computing a levy under this subsection that is
11 reduced under RCW 84.55.012 or section 2, chapter ---, Laws of 1999
12 (section 2 of this act), the department shall compute a hypothetical
13 levy without regard to the reduction under RCW 84.55.012 or section 2,
14 chapter ---, Laws of 1999 (section 2 of this act). This hypothetical
15 levy shall also be apportioned among the several counties in proportion
16 to the valuation of the taxable property of the county for the year, as
17 equalized by the department, in the same manner as the actual levy and
18 shall be used by the county assessors for the purpose of recomputing
19 and establishing a consolidated levy under RCW 84.52.010.

20 (3) The department shall have authority to adopt rules and
21 regulations to enforce obedience to its orders in all matters in
22 relation to the returns of county assessments, the equalization of
23 values, and the apportionment of the state levy by the department.

24 (4) After the completion of the duties prescribed in this section,
25 the director of the department shall certify the record of the
26 proceedings of the department under this section, the tax levies made
27 for state purposes and the apportionment thereof among the counties,
28 and the certification shall be available for public inspection.

29 **Sec. 9.** RCW 84.52.010 and 1995 2nd sp.s. c 13 s 4 are each amended
30 to read as follows:

31 Except as is permitted under RCW 84.55.050, all taxes shall be
32 levied or voted in specific amounts.

33 The rate percent of all taxes for state and county purposes, and
34 purposes of taxing districts coextensive with the county, shall be
35 determined, calculated and fixed by the county assessors of the
36 respective counties, within the limitations provided by law, upon the
37 assessed valuation of the property of the county, as shown by the
38 completed tax rolls of the county, and the rate percent of all taxes

1 levied for purposes of taxing districts within any county shall be
2 determined, calculated and fixed by the county assessors of the
3 respective counties, within the limitations provided by law, upon the
4 assessed valuation of the property of the taxing districts
5 respectively.

6 When a county assessor finds that the aggregate rate of tax levy on
7 any property, that is subject to the limitations set forth in RCW
8 84.52.043 or 84.52.050, exceeds the limitations provided in either of
9 these sections, the assessor shall recompute and establish a
10 consolidated levy in the following manner:

11 (1) The full certified rates of tax levy for state, county, county
12 road district, and city or town purposes shall be extended on the tax
13 rolls in amounts not exceeding the limitations established by law;
14 however any state levy shall take precedence over all other levies and
15 shall not be reduced for any purpose other than that required by RCW
16 84.55.010. If, as a result of the levies imposed under RCW 84.52.069,
17 84.34.230, the portion of the levy by a metropolitan park district that
18 was protected under RCW 84.52.120, and 84.52.105, the combined rate of
19 regular property tax levies that are subject to the one percent
20 limitation exceeds one percent of the true and fair value of any
21 property, then these levies shall be reduced as follows: (a) The
22 portion of the levy by a metropolitan park district that is protected
23 under RCW 84.52.120 shall be reduced until the combined rate no longer
24 exceeds one percent of the true and fair value of any property or shall
25 be eliminated; (b) if the combined rate of regular property tax levies
26 that are subject to the one percent limitation still exceeds one
27 percent of the true and fair value of any property, then the levies
28 imposed under RCW 84.34.230, 84.52.105, and any portion of the levy
29 imposed under RCW 84.52.069 that is in excess of thirty cents per
30 thousand dollars of assessed value, shall be reduced on a pro rata
31 basis until the combined rate no longer exceeds one percent of the true
32 and fair value of any property or shall be eliminated; and (c) if the
33 combined rate of regular property tax levies that are subject to the
34 one percent limitation still exceeds one percent of the true and fair
35 value of any property, then the thirty cents per thousand dollars of
36 assessed value of tax levy imposed under RCW 84.52.069 shall be reduced
37 until the combined rate no longer exceeds one percent of the true and
38 fair value of any property or eliminated.

(2) The certified rates of tax levy subject to these limitations by all junior taxing districts imposing taxes on such property shall be reduced or eliminated as follows to bring the consolidated levy of taxes on such property within the provisions of these limitations:

(a) First, the certified property tax levy rates of those junior taxing districts authorized under RCW 36.68.525, 36.69.145, and 67.38.130 shall be reduced on a pro rata basis or eliminated;

(b) Second, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of flood control zone districts shall be reduced on a pro rata basis or eliminated;

(c) Third, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of all other junior taxing districts, other than fire protection districts, library districts, the first fifty cent per thousand dollars of assessed valuation levies for metropolitan park districts, and the first fifty cent per thousand dollars of assessed valuation levies for public hospital districts, shall be reduced on a pro rata basis or eliminated;

(d) Fourth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized to fire protection districts under RCW 52.16.140 and 52.16.160 shall be reduced on a pro rata basis or eliminated; and

(e) Fifth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized for fire protection districts under RCW 52.16.130, library districts, metropolitan park districts under their first fifty cent per thousand dollars of assessed valuation levy, and public hospital districts under their first fifty cent per thousand dollars of assessed valuation levy, shall be reduced on a pro rata basis or eliminated.

In determining whether the aggregate rate of tax levy on any property, that is subject to the limitations set forth in RCW 84.52.050, exceeds the limitations provided in that section, the assessor shall use the hypothetical state levy, as apportioned to the county under RCW 84.48.080, that was computed under RCW 84.48.080 without regard to the reduction under RCW 84.55.012 or section 2, chapter ---, Laws of 1999 (section 2 of this act).

NEW SECTION. Sec. 10. Sections 3 through 6 of this act constitute a new chapter in Title 8 RCW.

1 NEW SECTION. **Sec. 11.** If any provision of this act or its
2 application to any person or circumstance is held invalid, the
3 remainder of the act or the application of the provision to other
4 persons or circumstances is not affected.

5 NEW SECTION. **Sec. 12.** This act is necessary for the immediate
6 preservation of the public peace, health, or safety, or support of the
7 state government and its existing public institutions, and takes effect
8 immediately.

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